



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 5, 2016

Ann Pedroza
State of Utah, Office of State Treasurer
E315 State Capitol Complex
Post Office Box 142315
Salt Lake City, Utah 84114-2315

Subject: Wire Transfer of Bond Money, Chief Consolidated Minerals/LeadFX Inc., Lime Peak Quarry and East Tintic Mines, M/49/0047 and M/49/0062 Utah County, Utah

Dear Ms. Pedroza:

The Division of Oil, Gas and Mining was recently informed by your office of a wire transfer of cash directed into the reclamation surety accounts for the above two permits by a company known as LeadFX. These permits are still listed under Chief Consolidated Minerals as the operator. However, Chief Consolidated Minerals is now controlled by a majority shareholder known as Energi Group of which LeadFX is a subsidiary.

The Division issued Cessation Orders for both permits on September 8, 2014. The conditions for abatement required increases in the sureties of \$8,800 for M/49/0047 and \$32,091 for M/49/0062.

The Division requests that you direct the wired funds into the cash surety accounts for permits M/49/0047 and M/49/0062, account number

Thank you for your assistance.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:aa:pb

Enclosure: MC-2014-60-5, MC-2014-60-6

P:\GROUPS\MINERALS\WP\M049-Utah\M0490047-LimePeakQuarries\final\AUTHCashBondWireXfr.doc



Citation for Non-Compliance

Utah Minerals Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114

Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: MC-2014-60-6

Permit Number: M/049/0047

Date Issued: 09/08/2014

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NOTICE OF VIOLATION

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CESSATION ORDER (CO)

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FAILURE TO ABATE CO

Permittee Name: Chief Consolidation Mining Company

Inspector ID and Number: April A. Abate 60

Mine Name: Lime Peak Quarries

Date of Inspection: Not Applicable

Certified Return Receipt Number:

Date and Time of Service: 09/04/2014 01:09 pm

Nature of condition, practice, or violation:

Failure to provide adequate surety. The operator was notified of additional surety required in a letter dated July 2, 2014 but has not provided the additional surety to date. The surety currently held is a cash bond in the amount of \$106,800. The Division is requiring an additional \$8,800 to bring this permit into compliance.

Provisions of Act, regulations, or permit violated:

R647-4-113 and 40-8-16- The operator is required to maintain adequate surety for the life of the mine.

For Cessation Orders and Failure to Abate CO's, check appropriate box(es) below:

☒

This order requires Cessation of ALL mining activities.

Or

☐

This order requires Cessation of PORTION(S) of the mining activities.

Mining activities to be ceased immediately:

Mining operations are not to resume until an adequate surety is posted. Until such time the Notice of Intent to Commence Mining is suspended.

☒

Condition, practice, or violation is creating an imminent danger to health or safety of the public.

☐

Permittee/Operator is/has been conducting mining activities without a Permit.

☒

Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.

☐

Permittee has failed to abate Violation included in Citation # _____ within time for abatement originally fixed or subsequently extended.

Abatement/corrective action(s) required (for all Citations):

Abatement Times (if applicable)

Submit additional surety as outlined in the 7/2/2014 correspondence letter from the Division to Sherman C. Young, agent for Cheif Consolidated Mining Co.

11/8/2014

Permittee Representative (Print)

April A. Abate

DOGM Representative (Print)

Permittee Representative's Signature

Date

DOGM Representative's Signature

Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information



Citation for Non-Compliance

Utah Minerals Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114

Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: MC-2014-60-5

Permit Number: M/049/0062

Date Issued: 09/08/2014

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NOTICE OF VIOLATION

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CESSATION ORDER (CO)

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FAILURE TO ABATE CO

Permittee Name: Chief Consolidation Mining Company

Inspector ID and Number: April A. Abate 60

Mine Name: Tintic Operations

Date of Inspection: Not Applicable

Certified Return Receipt Number:

Date and Time of Service: 09/04/2014 01:09 pm

Nature of condition, practice, or violation:

Failure to provide adequate surety. The operator was notified of additional surety required in a letter dated July 2, 2014 but has not provided the additional surety to date. The surety currently held is a cash bond in the amount of \$488,309. The Division is requiring an additional \$32,091 to bring this permit into compliance.

Provisions of Act, regulations, or permit violated:

R647-4-113 and 40-8-16- The operator is required to maintain adequate surety for the life of the mine.

For Cessation Orders and Failure to Abate CO's, check appropriate box(es) below:

☒

This order requires Cessation of ALL mining activities.

Or

☐

This order requires Cessation of PORTION(S) of the mining activities.

Mining activities to be ceased immediately:

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11/8/2014

Permittee Representative (Print)

April A. Abate

DOGM Representative (Print)

Permittee Representative's Signature

Date

DOGM Representative's Signature

Date

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